

Here is the Orlando Weekly article I referenced in my previous filing:

PBS R.I.P.?

As WMFE prepares to sell out to a religious broadcaster, the community wonders what's next for public television in Orlando

ILLUSTRATION BY NOAH SCALIN

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At first, David Odahowski says, he wasn't sure whether to take José Fajardo seriously.

"I got a call on April 1," he says, "so I almost immediately thought it was an April Fool's joke. It was a very frantic, fast-talking José Fajardo calling, and he said that the television station [WMFE-TV] had been sold."

Once Odahowski, president and CEO of Winter Park's Edyth Bush Charitable Foundation, realized Fajardo wasn't joking at all, he was stunned. His foundation has been a significant donor to WMFE, which operates Orlando's National Public Radio (NPR) station, WMFE 90.7, and Central Florida's only full-power Public Broadcasting Service (PBS) TV station, WMFE-TV Channel 24. He estimates that over the years the foundation has donated more than \$600,000 to support WMFE, so he was taken aback that he had no inkling that the station was up for sale. He says he didn't even know WMFE was struggling financially. His surprise was compounded when, after asking who was buying the station, Fajardo wouldn't tell him.

"I was asking all the journalistic questions," Odahowski says, "the who, what, when, where, why, how. And he said, 'I can't say, it's under confidential agreement.'"

Fajardo told Odahowski that the only reason he called now was because the New York Times had leaked the story, so he wanted to let major donors know, presumably before they heard it secondhand.

“So he did want to give me the heads up ? but after the fact ? that the station had been sold,” Odahowski says. “But at that point, why bother calling? What was the point?”

To Fajardo and the WMFE board, it seems, there really wouldn’t need to be a point ? without so much as a community meeting or public acknowledgment that the station was on the auction block, they announced later that day that they’d sold Channel 24 for \$3 million (a paltry sum, some say, for a full-power broadcasting license) to an undisclosed buyer. The announcement was made as if the deal had been sealed, and if anyone objected, they could take it up with the Federal Communications Commission, which has to approve the sale of WMFE’s broadcasting license before it can be transferred to a new owner.

Fajardo says in an emailed response to questions about the sale that there have been “no formal petitions to deny the sale of WMFE-TV” so it seems he’s confident things will move forward. However, more than 500 public complaints about the sale have been filed with the FCC since it started taking them in April. They come from hundreds of disappointed viewers, donors and former WMFE volunteers and employees who say the WMFE board doesn’t have a right to sell a community asset ? something the board has been entrusted with and supported primarily by public donations ? that doesn’t really belong to it at all.

If the sale of WMFE goes through as requested, viewers accustomed to tuning in to Channel 24 to watch such PBS favorites as “NOVA” and the “Jim Lehrer Newshour” will likely see their favorite programs replaced by “The Gospel Music Showcase,” “John Hagee Today” and “Marcus Lamb Ministries.” Parents who tune in looking for “Sesame Street” may find in its place “Gospel Bill” or “My Destiny Place,” a children’s show about entrepreneurship that helps kids “discover their God-given destinies.”

That’s because the company interested in buying WMFE’s license, Community Educators of Orlando, is a newly created local unit of Texas-based Christian broadcaster Daystar Television Networks.

The company’s application to buy the license states that it will dedicate more than 50 percent of its airtime to educational, cultural, public affairs, news and religious programming. “Educational programming will be provided in conjunction with University of Central Florida,” the application states. “Furthermore, CEO [Community Educators of Orlando] will provide multicultural programming to the

fast-growing segments of the population comprised of Hispanics, African-Americans and Asians, which are currently vastly underserved. CEO also proposes to offer interdenominational religious education.?

The application states that the organization's programming will deal with crime, drugs, teen pregnancy referrals, marriage counseling and job fairs.

The president and vice president of the board of Community Educators of Orlando are Marcus and Joni Lamb, the founders of Daystar. According to a biography posted on his website, in the 1980s Marcus Lamb was a successful evangelist who traveled to churches around the country. ?He had no intention of changing his ministry,? the biography says, ?but God had other plans. While on a trip to Israel with his bride of seven months, Marcus heard God speak to him, ?Go to Montgomery, Alabama, and build a Christian TV station.? After fasting and praying with Joni, Marcus knew God had indeed spoken to him and that they must go to Alabama.?

The Lambs set up a fledgling station that they operated for seven years, but in the early 1990s, they sold it and moved to Texas, where they started over. There, the broadcasting company they founded, called Daystar, expanded rapidly, and today it claims to be the second-largest, fastest-growing Christian TV network in the world, broadcasting ?in every country in the world and every state in the U.S. The mission of Daystar is the same as it has always been for Marcus Lamb: Reach as many people as possible, through every means available, with the Gospel of Jesus Christ.?

Interestingly, the name Daystar is not mentioned anywhere in the FCC application to purchase WMFE. Instead, the application positions Community Educators of Orlando as a primarily local entity: ?A majority of the board of directors of CEO are broadly representative of the community and are local and live in the Orlando, Florida, or nearby greater metro area,? it states. The local board members include family practice physician and best-selling author Dr. Don Colbert, who wrote, among other books, *The Bible Cure for Stress and Headache* and *What Would Jesus Eat?* (the application notes that Colbert was asked by PBS ?to do a TV series for them to air on PBS TV stations?); David Uth, director of the First Baptist Church in Orlando, the largest church in the city; and Steven Strang of Lake Mary, founder of Charisma Media, who was recognized by Time magazine in 2005 ?as one of the nation's most influential evangelicals.?

Despite its squeaky-clean board, Daystar has been embroiled in a handful of controversies over the years. In 2003, the station was investigated by the FCC for allegedly selling airtime on its noncommercial educational stations to nonprofit groups. At the time these allegations came to light, Daystar was in the process of trying to buy Huntington Beach, Calif., PBS-member station KOCE-TV for \$21.5 million, but the investigation hindered the sale. In 2008, the FCC and Daystar agreed that the company could lease one of KOCE's digital subchannels, Daystar would use a multi-level

process to review content and the company would make a voluntary donation of \$17,500 to the U.S. Department of Treasury. In 2006, the company came under fire in Israel for running missionary advertisements that targeted Jews, and its station was yanked from the air there. Most recently, Daystar was rocked by a series of legal actions beginning in February 2011 when a former employee charged the organization leadership with harassment, defamation and wrongful termination related to an announcement in 2010 by Marcus Lamb that he had cheated on his wife. The suits are ongoing, and in late March, the embattled company announced it was downsizing its operations.

But just days later, on March 31, the articles of incorporation were filed in Florida for Community Educators of Orlando, a nonprofit religious broadcasting entity; the next day, Fajardo dropped the bomb that WMFE had been sold.

When reached by phone, a spokeswoman for the company, Kristin Cole, said Daystar was not commenting on its business plan or decision to purchase WMFE's license.

"The FCC application is still pending," she says, "so no comment until that's finalized. So at this time, we can't provide any information."

Most of the complaints filed by the public with the FCC say that the sale of WMFE to an out-of-town, non PBS-member station – a religious one, no less – is not in keeping with the intent of the license first obtained by WMFE in 1965 to allow the station to air educational TV shows for the public. Its earliest shows were locally produced programs for children in public schools around Central Florida, and in its fledgling years, it was operated and funded by the Orange County Public School District. In 1967, Congress passed the Public Broadcasting Act, which established the Corporation for Public Broadcasting (which provides funding to public broadcasting stations to this day, and from which WMFE has received more than \$1 million in 2010 and 2011 combined), and in the early 1970s, a 40-person board of trustees was established under the leadership of Hugh McKean, then president of Rollins College. The Orange County School District transferred the station's assets, equipment and license to the new nonprofit group formed to run WMFE, with the understanding that it would continue to serve as a public educational station.

In 1972, Stephen McKenney Steck became WMFE's first president and CEO – a position he held until 2007, when he passed the mantle on to José Fajardo.

"I gave my heart and soul to that place for 41 years," says Steck, who now runs the nonprofit Carol McKenney Foundation for Public Media. "José Fajardo – the current president and CEO, who is my successor, and who with the permission of the board of trustees I put in that job, so you can blame it all on me – he and I have agreed to disagree. He knows full well I do not support the position the board took [on the sale of WMFE-TV]. I find it discouraging, disappointing and betraying of being

inclusive of the community. If it was a decision like, "Should we reschedule the broadcast of 'Sesame Street' from 8 a.m. to 7 a.m.," that's one thing. But a decision as profound as selling the station should have demanded wide community input, long before the fact."

Steck says the license to broadcast on Channel 24 was set up to provide public television for the Orlando community, not to sell at a profit to bolster the bottom line of the NPR station that shares its call letters. "It was not granted for the purpose of selling it to any other entity," he says. "The fact that they are selling it to a noncommercial but religious station, I believe, is incorrect. That license wasn't granted for that purpose."

Steck says that if WMFE's leadership found that the TV station was such a financial drain on the organization that it could no longer sustain it, the organization had multiple options open to it: It could have sought input from donors or begun a dialogue with the community, or it could have applied to simply transfer the license to another educational broadcaster in the community — say, Valencia College, Seminole State College or the University of Central Florida — that is willing and able to continue the broadcasting mission WMFE embarked upon more than 40 years ago.

"Then I don't think there would be a problem," he says. "The problem arises when the asset the community gave them for 46 years is now going toward profit provided by its sale to a noncommercial religious broadcaster."

Fajardo says the board did examine all of its options before deciding to sell. "Selling the license was the last option," he says. "Though, having made that decision, we are redoubling our efforts to make 90.7 WMFE-FM an even greater asset to the lives of Central Floridians."

WMFE will invest the money from the sale of the TV station into its radio efforts. But Steck questions the need to create an endowment for 90.7 FM, which Fajardo has said is more successful, from a fundraising perspective, than Channel 24. "If you have said radio is so successful," he asks, "why do you need to sell [the TV station] to create an endowment for it?"

Steck says that when he asked Fajardo and the board why they failed to consult openly with the community regarding the TV station's sale, he was told that the 20-person board and the 25-person community advisory board are the community and are appointed to represent its interests.

"That stance, which some might view as correct, some might view as arrogant, might be OK if you're going to quibble over a program schedule," he says. "But to sell the station?"

If he had been asked for his input, Steck says he would have suggested that the multiple entities in the region interested in public broadcasting — PBS-member station WBCC in Cocoa, PBS-member

station WDSC in Daytona, UCF TV, perhaps stations in markets as far flung as Tampa ? could have come together to form Central Florida Public Broadcasting, something he said was in discussion years ago. ?In fact, had WMFE-TV not been able to operate at a new normal ? which I contend that it could, until the day I die ? they could have given the license to any one of those entities,? Steck says, and that station could have assumed the role of flagship PBS station for the area.

?It turned out they had other agendas and did it, in my view, somewhat privately,? Steck says. ?And that?s discouraging. It?s not the José and the board that I knew, and they know that. It?s no surprise to them.?

In a press release issued April 1, WMFE said that since 2007, its television station had seen a steady decrease in support from the community; its on-air pledge drives, it said, were down 34 percent, and the station was more than \$300,000 short of its 2010 fundraising goal. Since the WMFE radio station has been consistently strong, WMFE?s board decided to unload the TV station to focus solely on radio.

According to financial reports filed by WMFE with the IRS, public funding of WMFE?s brands has steadily decreased over the years, from more than \$9 million in fiscal year 2006 to just over \$7 million in fiscal year 2008 (the most recent year for which tax documents are available for the station from the IRS). According to annual reports for 2009 and 2010, the organization brought in \$6,742,131 in revenue in 2009 (\$5,151,873 of which was raised locally) and \$6,307,487 in 2010 (\$4,845,782 of which was local). According to those annual reports, the station?s expenses outstripped its revenues in 2009 by \$132,176, but in 2010 it raised more than it spent and ended the year with \$177,325. But the documents do not break out expenses for television and radio, so it?s not clear how much strain the television side of the operation was putting on the budget.

According to Fajardo, it was enough that the board no longer thought it was worth keeping WMFE-TV.

?We carefully evaluated a number of different options, including merging with another station or becoming independent,? Fajardo is quoted as saying in the press release. ?But none would have sustained the TV platform in the long run. There are simply too many things negatively impacting public TV today, from shrinking financial support to steep PBS programming fees that we?ve been told are actually going up over the next two years. Given all of that, at least in our market, we think the model is no longer viable.? (PBS president Paula Kerger has recently said that Fajardo?s claim that PBS dues would rise over the next two years is not correct. PBS did not raise dues in 2010 and has announced that it will not do so in 2011 either. A station?s programming dues are based on a complicated formula that takes into account a station?s budget, its market?s population and grants it receives from the Corporation for Public Broadcasting.)

But if that's the case, Odahowski says — echoed by many other WMFE supporters, volunteers, donors and former employees interviewed for this story — the station's directors failed to let anyone know it.

"I'm confident that if WMFE asked this community for \$3 million, then the \$3 million would have been forthcoming," he says. "WMFE has been around since 1965, and people have contributed \$5, \$10, \$15 to get a coffee mug, a tote bag, an umbrella. Many of us who are fiduciaries or philanthropists have been able to provide greater amounts of money for building and staff. — That this was a fait accompli was just not the best practice in the field of nonprofit organizations."

But Fajardo says the station did let the community know it was having problems. Repeatedly. "WMFE has made it clear during our pledge drives and in all our communications with donors that we depend upon community support to stay on the air," he writes in his email to the Orlando Weekly. "It was reported in the media that WMFE-TV was having problems meeting its financial goals. When it became clear that selling the television station was the only viable option left, it was necessary to maintain confidentiality as we pursued a buyer. We told the public about the sale of WMFE-TV at the earliest practical time possible."

Now the region waits while the FCC reviews the complaints about WMFE's sale.

According to a PBS spokeswoman, Jan McNamara, there are local negotiations underway to create a new PBS flagship station in the market, but she was careful not to reveal too much information. She says the PBS model is local and station-based — the national PBS organization cannot buy a license and set up a station in a market, nor can it insert itself in the negotiation between entities interested in perhaps becoming the next Central Florida flagship station — so the solution is ultimately up to the community broadcasters. (Currently, there are two low-power PBS stations in Central Florida: WDSC in Daytona, and WBCC in Cocoa both carry a limited slate of PBS programming.)

"Member stations in Florida are now discussing a number of potential approaches to meet the shared goal of ensuring that viewers in Orlando continue to be served," McNamara says. "All PBS stations are community-focused organizations that are independently owned and operated. Members of the community should definitely let their stations know that they value continued access to PBS programming."

None of the stations contacted for comment about the negotiations returned calls for comment; both WDSC and WBCC have been identified as potential new "flagship stations," and UCF TV has also been mentioned as a potential player in the negotiation to keep full-service PBS programming in Orlando. As this story was going to press, the Weekly received an email from Anna Eskamani, a UCF

student who founded a "Keep PBS in Orlando" campaign, that indicated that the UCF Board of Trustees' Advancement Committee would meet on May 26 at 9 a.m. to vote on whether to approve a partnership between UCF and Brevard Community College to assume responsibility for a Central Florida PBS franchise. If the resolution is approved, the email noted, the full board of trustees would vote on the resolution the same day at 1 p.m.

"Assuming that both of these are accepted, the PBS franchise will become WUCF on July 1, 2011," Robert Schell, vice president of the UCF board of trustees, wrote in the email.

If approved, it will be perfect timing for PBS fans, as WMFE is scheduled to cease programming as of June 30 if the sale of its TV license goes through.

But that doesn't necessarily resolve concerns from members of the community who simply feel betrayed by WMFE, the station they helped to build, promote and support "some say that public outrage may hurt the organization when the next pledge drive comes around.

Mary Elizabeth McIlvane of Altamonte Springs, a longtime volunteer and supporter of both WMFE-TV and WMFE 90.7, says she called the station shortly after the sale was announced to express her anger and was rebuffed. "I was furious, absolutely furious," she says. "I know these people because I have done a lot of volunteer work with them, so I called and they said, 'Well there's nothing you can do about it.' " From my perspective, this is not their money. They do not own the money. The money is public money that's come to them."

A point that's worth raising: Some of the money that's been given to WMFE over time has come in the form of grants from government sources. The Corporation for Public Broadcasting gave the station \$590,849 in fiscal year 2010 and \$560,146 in fiscal year 2011. According to CPB spokeswoman Nicole Mezlo, "discussions with WMFE are still ongoing," so she can't say whether the station will be asked to pay back any of the grants it's been given should the sale of the station go through. "Generally speaking, public broadcasting stations (radio and television), as a condition of the Community Service Grants they receive from CPB, are required to provide a public broadcasting service," she says. "In the event of a sale to a commercial entity or if a station goes dark, the CSG general provisions of eligibility " the agreement between CPB and the station " could require the station to return all or a portion of the grant amount."

It's not entirely clear how long it will take the FCC to review the sale application " the agency says it does not have a strict timeframe for the application-review process " but many observers think that, frustrated as the community may be, the sale if WMFE will likely be approved since Daystar, technically speaking, is a noncommercial, educational broadcaster.

But some of WMFE's supporters hope that, at the very least, the FCC forces a bit more public discussion before letting the sale go forward.

"Here's my hope for the FCC," Odahowski says. "I hope that they will say, 'All right, this looks all well and good, but we'd like you to have a community meeting. We'd like you to have a public airing of this so we can make sure the community is well aware of what is going on.'"

He says that one of the things he finds most disappointing is that the board didn't even try to consult the people who were most heavily invested — emotionally and financially — in the station's welfare.

"You have to ask yourself, you know, if the board and the CEO did everything in its power, did they use the best business practices, to try to reach the best decision possible," Odahowski says. "It really begs the question, why the board didn't explore every alternative before making this clandestine sale. I can only imagine that Mr. Rogers would be turning over in his grave right now."

> Email Erin Sullivan